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# STATE OF COLORADO

## DEPARTMENT OF LOCAL AFFAIRS

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Bill Owens  
Governor

Michael L. Beasley  
Executive Director

## MEMORANDUM

TO: Severance Tax Direct Distribution Recipients

FROM: Michael L. Beasley, Executive Director

DATE: August 31, 2005

SUBJECT: Direct Distribution of Severance Taxes for FY 2005  
to Municipalities and Counties

Section 39-29-110(1)(c) of the Colorado Revised Statutes directs the Department of Local Affairs to distribute 15 percent of the revenue collected in the Local Government Severance Tax Fund to counties or municipalities on the basis of the residence of severance taxpayer employees reported to the Department of Revenue by the severance taxpayers.

The funds paid per reported employee in this year's distribution are as follows: \$614.84 for coal, \$285.57 for metals, and \$4,957.96 for oil and gas.

The employee residency figures used for this direct distribution computation are from reports provided by the State Department of Revenue, which, in turn, receives the information from the severance taxpayers. By dividing the total number of employees for oil/gas, coal, and metals into the respective severance tax receipts for each of the mineral types, we obtain the payment per reported employee figures above. Multiplication by the number of employees reported as resident in each jurisdiction gives the payment figures in the attached table. Basic guidance for the employee reporting process is provided on our web site:

**<http://www.dola.state.co.us/LGS/FA/EMIA/miner/SevDDEmpReportProcess.pdf>**

Should you have a question regarding this distribution, please contact Barbara Kirkmeyer at (303) 866-4988. e-mail: [barbara.kirkmeyer@state.so.us](mailto:barbara.kirkmeyer@state.so.us).